

*Vermont Department of Education*  
**Federal Fiscal Team Newsletter – May 2005 Edition**

*Information about changing audit & fiscal issues related to grants  
Please provide copies to appropriate staff.*

**To: Superintendents, Business Managers, Program Managers, Directors**

**CC: Auditors, State Auditor of Accounts**

**ADM Agreed Upon Procedure**

The department recognizes major changes have occurred in the collection of ADM counts. We are in process of having the statute changed to eliminate the requirement to conduct the annual ADM Agreed Upon Procedure. We recommend you do not contract with audit firms for this procedure for FY 2005. We will evaluate whether an audit of the new student census would be worthwhile and keep you informed.



The audits must be submitted to this office, include all reports, corrective action plan and the management letter, and must be originals from the audit firm. Copies can not be accepted.

**Late Audits** – This year we received a number of audits after the deadline. This was partly due to the implementation of the new GASB 34 requirements and the time involved for the districts to write a Management Discussion and Analysis (MDA) report required by GASB 34. We suggest starting the MDA now to avoid the problem of having to rush to write it as the submission deadline approaches.

We also recommend contacting the audit firms now to schedule the FY 05 audits required for your supervisory union and member districts. LEAS should discuss with the audit firms the absolute requirement to have the audits completed and submitted to this department by March 31<sup>st</sup> to avoid the possibility of having funds suspended.

You must establish a firm agreement with the audit firm on a timeline which will allow you to complete the audit prior to the deadline.

**Hats off to the many hard working people**

- The conversion of school districts to meet GASB 34 standards was a major time consuming effort by a lot of the supervisory union & LEA offices. Many central staff members have spent hundreds of hours writing an MDA (Management's Discussion and Analysis), developing the Capital Outlay expenditures needed for Infrastructure reporting, capturing the additional information needed to report the changes in liabilities related to various expenditures like personnel services and many other things to meet these standards.

Compiling this information for one entity is a daunting task, many of the offices had to either complete or assist in the completion of the same information for three, four, five or more member school districts.

Many of you were able to complete the conversion to the new GASB standards and still get their audits in on time have done an amazing job. Last and surely not the least is you managed to get the rest of your regular work done. Our hat is off to you for the great job you have done.

Editor - Floyd Blodgett, (802) 828-0476, e-mail [floydblodgett@education.state.vt.us](mailto:floydblodgett@education.state.vt.us)

Your comments are welcomed.

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